

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Southern Union Company)
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D.T.E. 06-2

**MOTION OF SOUTHERN UNION COMPANY
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

Now comes Southern Union Company (the “Company”) and hereby requests that the Department of Telecommunications and Energy (the “Department”) grant protection from public disclosure of certain confidential, competitively sensitive and proprietary information submitted in this proceeding in accordance with G.L. c. 25, § 5D. Specifically, the Company requests that the Department protect from public disclosure information contained in the Company’s response to Information Request DTE-1-05, which is a copy of a Merrill Lynch, Pierce, Fenner & Smith, Incorporated (“Merrill Lynch”) investment opinion regarding the fairness, from a financial point of view to Southern Union, of the purchase price for Sid Richardson Energy Services, Ltd and related entities (together “SRES”).

I. LEGAL STANDARD

Confidential information may be protected from public disclosure in accordance with G.L. c. 25, § 5D, which states in part that:

The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where

the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

In interpreting the statute, the Department has held that:

[T]he burden on the company is to establish the need for protection of the information cited by the company. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest.

The Berkshire Gas Company et al., D.P.U. 93-187/188/189/190, at 16 (1994) as cited in Hearing Officers Ruling On the Motion of Boston Gas Company for Confidentiality, D.P.U. 96-50, at 4 (1996).

Thus, a Company must prove that: (1) the information for which protection is sought constitutes trade secrets, confidential, competitively sensitive or other proprietary information; and (2) there is a need to ensure nondisclosure of the information. The Berkshire Gas Company, D.T.E. 01-41, at 16 (2001). Where a party proves such a need, the Department may limit the length of time that such protection is in effect. Id.

II. BASIS FOR CONFIDENTIALITY

The Company seeks protection from public disclosure of materials that are confidential, commercially sensitive and proprietary. Specifically, by this Motion, the Company seeks protection from public disclosure of Attachment DTE-1-05(a)

The Company requires protective treatment of the Merrill Lynch Investment Opinion, which is provided as Attachment DTE-1-05(a), because public disclosure of the information contained in this document would be commercially harmful to the Company. If disclosed, other parties could use the information to gain an advantage in the marketplace on issues relating to the SRES acquisition. Competitors would have

important, competitively sensitive information regarding the Company's willingness to undertake certain business risks or to adhere to certain contract terms, which would harm the Company's competitive position in future negotiations with third parties. In short, the information contained in the document referenced above must remain confidential to preserve the Company's negotiating leverage on matters that may relate to future acquisitions. Lastly, disclosure of Attachment DTE 1-05(a) could discourage investment advisors from providing advice and counsel to Southern Union in the future on these types of matters because of the potential that, as a regulated utility, Southern Union could be required to disclose such information to the general marketplace.

III. CONCLUSION

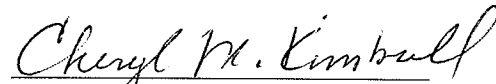
Therefore, by this Motion, the Company requests that the Department protect from public disclosure Attachment DTE-1-05(a). Because the information will be provided to the Department, the public interest will not be affected adversely by protecting the information from public disclosure. Accordingly, the above-referenced document should be granted confidential treatment by the Department. The Company requests that the Department grant such confidential treatment for a period of three years from the date of the Department's final order in this proceeding.

WHEREFORE, the Company respectfully requests that the Department grant their Motion for Protective Treatment as stated herein.

Respectfully submitted,

SOUTHERN UNION COMPANY

By its attorney,

A handwritten signature in cursive script, reading "Cheryl M. Kimball", written over a horizontal line.

Cheryl M. Kimball, Esq.

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Dated: January 19, 2006